BRITISH COLUMBIA
The Best Place on Earth

BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 10-10 March 12th, 2010

- **Unemployment rate drops to 7.7% in February as BC employers take on more workers**
- **Exports inch up 0.3% in January**
- **Housing starts jump 9.1% in February**

Labour Force Survey

- **British Columbia's unemployment rate edged down again in February, dropping to 7.7% (*seasonally adjusted*).** The latest decrease marked the first time that the province's jobless rate has declined for two consecutive months since beginning its upward trend in the latter half of 2008.

  BC's unemployment rate remains among the lowest in the country, and was a half percentage point below the national average (8.2%) last month. However, British Columbia had the highest unemployment rate in western Canada. Rates in the Prairie provinces ranged from 4.7% in Saskatchewan to 6.9% in Alberta.

  Canada's unemployment rate declined slightly, easing 0.1 percentage points to 8.2%. Job growth in Saskatchewan and parts of Atlantic Canada was most significant, while Alberta and Manitoba were the only provinces to post employment losses. *Data Source: Statistics Canada*

- **Employment in the province's service sector was stronger in February (+1.2%, *seasonally adjusted*).** The number of jobs in public administration soared (+11.6%) and employment in health care & social assistance was also up (+4.9%). Compared to the same time last year, public sector employment as a whole was 8.1% higher in February, while private sector employment contracted (-1.0%).

  The province's goods-producing industries didn't fare as well, as the boost in employment seen in January was negated by a 2.8% decline in February. Modest gains in one of the biggest industries (manufacturing, at +0.4%) did not manage to outweigh a slump in construction (-1.4%), the always-volatile utilities industry (-13.0%), agriculture (-12.2%) and primary resource-extracting activities (-10.6%). *Data Source: Statistics Canada*

- **Uncertain labour market conditions continued to have varying effects on regional unemployment rates, which ranged from a low of 4.4% (*three-month moving average, unadjusted*) in Northeast to 11.5% in Cariboo.** *Data Source: Statistics Canada*

  BC youth (aged 15 to 24) continued to face tight labour market conditions in February. Despite province-wide job gains, employment among youth slipped (-0.3%). Off-reserve Aboriginal youth (aged 15 to 24) faced even greater labour market challenges, with the jobless rate more than double that of their non-Aboriginal counterparts (27.2%, compared to 12.4%). *Data Source: Statistics Canada*

The Economy

- **BC product exports continued to climb (+0.3% *seasonally adjusted*) in January, albeit at a slower pace than in the previous few months.** The value of industrial & consumer (-6.5%), agriculture & fish (-1.0%) and machinery equipment & auto (-0.9%) products shipped from the province was down, but energy (+3.7%) and forestry (+4.1%) exports managed moderate gains.

  Exports to the US were up 2.4%, as shipments of industrial & consumer (+1.5%), forestry (+2.3%) and energy (+10.3%) products south of the border increased. Together, these accounted for nearly three quarters of total US-bound exports. Conversely, overseas markets (-1.7%) started the year on a low note,

Report BC's Exports to Oceania Watered Down in 2009

Did you know...

The portion of Canadians very likely to purchase a home in the next two years has risen to 10%, up from 7% two years ago. *Source: RBC Homeownership Study*

dragged down by a 12.5% abatement in shipments of industrial & consumer goods.

Canadian exports advanced 0.5% in January, as shipments to Japan (+17.3%) and the European Union (+0.6%) climbed. Much of the overall strength was offset by a slow-down in exports to the US (-0.6%), the nation's largest trading partner.

Data Source: Statistics Canada & BC Stats

- **Housing starts in the province continued to rise in February, jumping 9.1% (*seasonally adjusted*) on the heels of a double-digit increase (+21.1%) at the beginning of the year.** Canadian starts were up 6.1%, reflecting substantial growth in three of the largest provinces. However, starts were down in other parts of the country, most notably in Saskatchewan (-28.1%), Quebec (-13.2%) and parts of Atlantic Canada. *Data Source: CMHC*

- **The cost of new housing in BC's two largest metropolitan areas continued to fall in January.** In Victoria, new housing prices slipped 7.3% over the same month of 2009, while homebuilders in the Vancouver area received 1.0% less for their projects. Land costs inched up 0.2% in Victoria, while the price of new housing decreased 12.8%. In Vancouver, the cost of land was slightly higher (+0.1%) over January of last year, but building prices continued to decline (-1.7%).

  Nationally, new housing prices were slightly higher (+0.1%) in January than in the same month of 2009, marking the first year-over-year increase since December of 2008. Despite significant gains in many metropolitan areas, overall national prices were pulled down by losses in Western Canadian cities and parts of the Prairies. *Data Source: Statistics Canada*

Diversity

- **It is estimated that by 2031, between 25% and 28% of the Canadian population could be foreign-born, surpassing the previous record of 22% observed between 1911 and 1931.** As a result of factors such as immigration and fertility, between 2006 and 2031, the foreign-born population of Canada could increase approximately four times faster than the rest of the population.

  By 2031, visible minority groups could comprise 63% of the population of Toronto and 59% in Vancouver, each well above the national average (estimated at 31% by 2031, up from 16% in 2006). It is anticipated that the visible minority population of Vancouver could more than double from 910,000 in 2006 to over 2 million by 2031, while, the rest of its population is expected to increase at a much more modest rate (+12%). It is estimated that visible minorities will make up about 17% of Victoria's population by 2031, up from 10% in 2006. *Data Source: Statistics Canada*

The Nation

- **Canadian industries operated at 70.9% of full capacity during the last three months of 2009, up from 68.7% in the third quarter.** The gain in the fourth quarter was the first sizeable increase in overall capacity use since the first quarter of 2007. Utilization increased for the second consecutive quarter (+0.2 percentage points in the third quarter) with production warming up in nearly every sector. On a year-over-year basis, capacity utilization last quarter was 4.7 percentage points lower than in the same quarter of 2008.

Data Source: Statistics Canada

Oops!

Some typos slipped into last week's edition of Infoline (Issue 10-09) highlights:

- Fourth quarter labour income growth in Alberta should have read **(+0.8%)** NOT (-0.8%)

- Residential investment data refers to the fourth quarter of **2009** NOT 2008

- Sawmill production at BC's Interior mills in 2009 should have read **(-17.8%)** NOT (+17.8%)

All of the text surrounding the incorrect entries is consistent with these corrected figures. Our apologies for any confusion this may have caused.

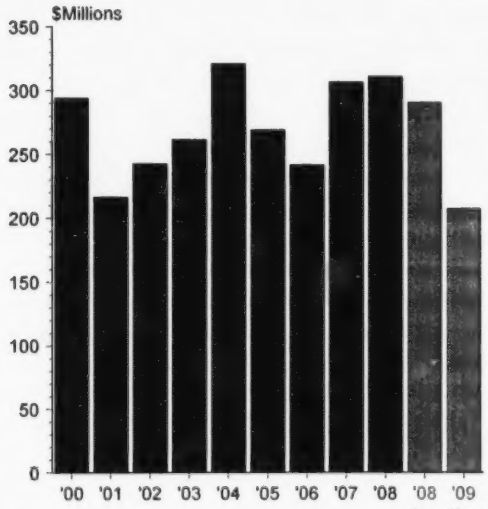
***Infoline** Issue: 10-10*
March 12th, 2010

Contact: Dan Schrier
(250) 387-0376
originally published in
Exports Issue 09-11

BC's Exports to Oceania Watered Down in 2009

Over the first 11 months of 2009, the value of BC's commodity exports to Oceania fell by 29% compared to the same period a year earlier. The slump was largely the result of declines in shipments of forest products, particularly wood and articles of wood (-41%), but also wood pulp (-18%). Another good contributing significantly to the overall drop was sulphur (mainly used as a fertilizer), shipments of which plunged 91%. A drop in exports of sporting equipment and toys (-90%), particularly equipment for water sports, such as skis, were another significant factor in the overall slump in shipments from BC to Oceania.

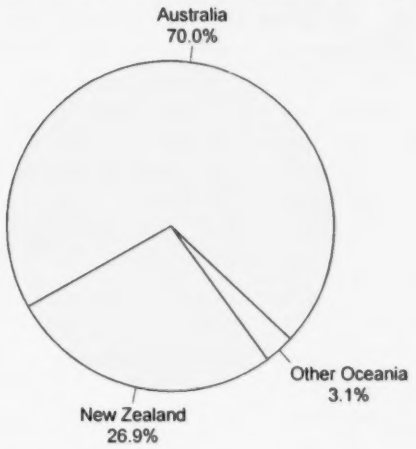
BC exports to Oceania dropped off significantly in 2009



Source: Statistics Canada

Oceania consists of the continent of Australia and the surrounding islands in the South Pacific, including New Zealand, Papua New Guinea, Fiji, the Solomon Islands and a host of smaller islands, as well as some of the US territories in the North Pacific. The bulk of British Columbia's exports to Oceania are to Australia and New Zealand, with all other destinations comprising only 3% of the total in 2008.

BC's exports to Oceania were concentrated mainly in Australia and New Zealand in 2008



Source: Statistics Canada

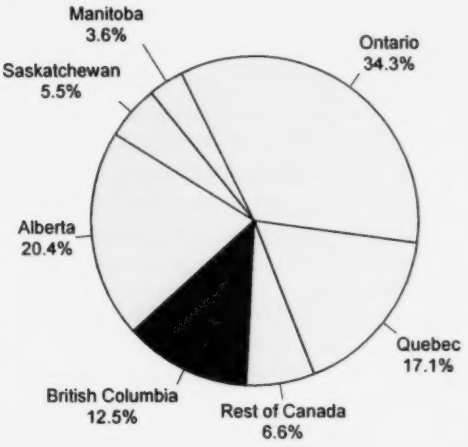
BC Origin Exports to Oceania, 2008

Destination Country	Value $Cdn	% of Total
Australia	217,525,310	70.0%
New Zealand	83,737,247	26.9%
French Polynesia	3,577,309	1.2%
Papua, New Guinea	1,350,722	0.4%
New Caledonia	1,074,112	0.3%
American Samoa	754,884	0.2%
Fiji	706,919	0.2%
U.S. Outlying Islands	694,321	0.2%
Cocos Islands	600,158	0.2%
Guam	278,407	0.1%
Vanuatu	178,631	0.1%
Western Samoa	169,987	0.1%
Solomon Islands	76,461	0.0%
Tonga	55,321	0.0%
Kiribati	36,805	0.0%
TOTAL OCEANIA	**310,816,594**	**100.0%**

Source: Statistics Canada

In 2008, BC ranked fourth among the provinces as an origin for Canadian exports to Oceania, with 12.5% of Canadian commodity shipments to that region originating in British Columbia. Ontario was the source of 34.3% of Canadian exports to Oceania, followed by Alberta, at 20.4%, and Quebec, at 17.1%.

British Columbia ranked fourth among the provinces in exports to Oceania in 2008

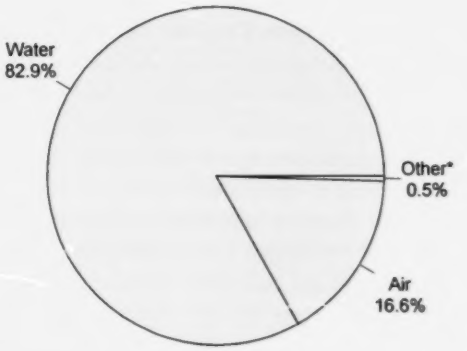


Source: Statistics Canada

Canada's top exports to Oceania include machinery, meat products and aircraft. The main types of machinery shipped to that region are those related to agriculture, while pork products comprise the bulk of the meat exported to Oceania from Canada. British Columbia's top exports to Oceania include wood and articles of wood, machinery and pulp.

Given the remote location in the South Pacific, it is not too surprising that the main mode of transport of the goods shipped to Oceania is by boat. Approximately 83% of BC's commodity exports to Oceania in 2008 were shipped by boat, with the remainder transported by plane.

Most of BC's commodity exports to Oceania were shipped over water by boat in 2008



*Other includes goods that were shipped by road or rail into the US before being loaded aboard another freight carrier as well as goods that were sent by mail or courier

Source: Statistics Canada

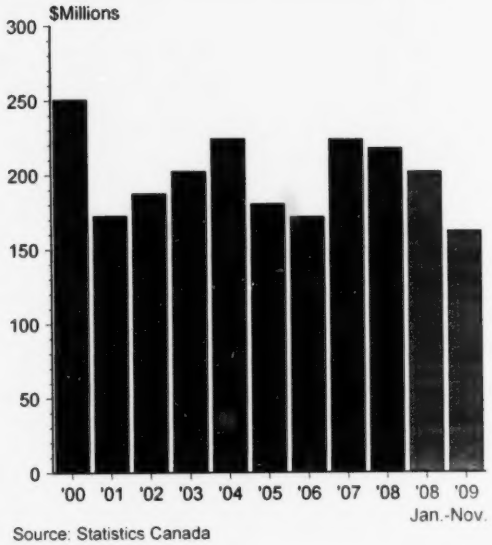
The distance of this region from Canada and the consequent high shipping costs is one of the challenges facing exporters looking to expand trade with Oceania. Other difficulties include regulatory issues, particularly in Australia and New Zealand, strong domestic and foreign competition, and low awareness of Canadian capabilities[1].

Australia

Australia is by far the largest market in Oceania and most of BC's exports to that region flow to Australia (70% in 2008). British Columbia shipped $217.5 million worth of goods to Australia in 2008, ranking that country thirteenth as a destination for BC origin commodity exports. Over the first 11 months of 2009, BC's exports to Australia have dropped 20% compared to the same period in 2008.

[1] Foreign Affairs and International Trade Canada, "Seizing Global Advantage: Australia and New Zealand." www.international.gc.ca/commerce/strategy-strategie/r4.aspx

BC exports to Australia have dipped significantly in the last year



Source: Statistics Canada

British Columbia's top export to Australia is softwood lumber and a 41% drop in the value of shipments of this good is one of the main drivers of the slump in overall exports over the first 11 months of 2009 compared to the same period a year earlier. Other goods that contributed to the overall decline include sporting equipment, pulp and sulphur, all of which were among the top four exports from BC to Australia in 2008. There were also a few large increases that partially offset some of the overall slump, including motor vehicle parts and equipment, and engines in particular.

Australia's top export is coal and, in fact, Australia is the top exporter of coal in the world. Given that coal is also a significant export from British Columbia, Australia represents the province's largest competitor in the coal market.

Australia's top imports include petroleum, automobiles and gold. While Canada has some of the world's largest oil deposits, most of Australia's petroleum imports are from Southeast Asia and very little is imported from Canada, probably due to the substantial distances involved and the closer proximity of other petroleum producers. While motor vehicle parts and equipment are a significant export from BC to Australia, the fact that Australians drive on the left side of the road and the vehicles are therefore right hand drive limits opportunities for Canadian automobile exporters in that market.

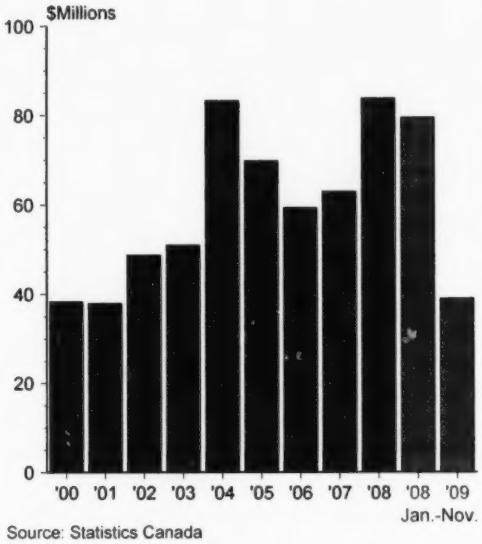
Some areas where Canadian exporters may find opportunities in Australia include telecommunications, environmental technologies and health products, including pharmaceuticals.

New Zealand

In terms of population, New Zealand is similar in size to British Columbia and there are also many similarities in the topographies of the two regions; however, given the distance between them, there is not a great deal of trade between the two areas, although BC was the origin of almost a fifth of Canadian exports to New Zealand in 2008. In that year, New Zealand ranked 25th as a destination for BC origin commodity exports, with only $83.7 million worth of goods shipped there. Over the first 11 months of 2009, exports from BC to New Zealand fell dramatically to less than half the value shipped in the same period in 2008.

A precipitous decline in shipments of sulphur (-96%) was the main contributor to the overall slump. Sulphur was the top export from BC to New Zealand in 2008, so a drop of that magnitude has had a huge impact on BC's overall exports to that country. Other large declines in shipments to New Zealand include softwood lumber (-43%) and various types of machinery, particularly agricultural machinery.

BC exports to New Zealand plunged in 2009



Source: Statistics Canada

New Zealand's exports are dominated by agricultural products, particularly dairy products and sheep and bovine meat. The country's main imports include petroleum, automobiles and computers. Similar to Australia, most of New Zealand's petroleum imports are from regions of closer proximity and very little petroleum is imported from Canada. Also, as with Australia, New Zealanders drive on the left side of the road, so again, automobile export opportunities are limited for Canadian producers.

Some market possibilities for Canadian exporters in New Zealand include machinery and equipment, electronics and plastics.

While the physical distance between Canada and Oceania will be an ongoing challenge in attempts to develop stronger trade ties, given the common language and cultural similarities between Canada and several of the countries of Oceania, including the larger centres of Australia and New Zealand, there are opportunities available for Canadian exporters and this is a region that should not be ignored.

Infoline

March 12, 2010
Issue 10–10

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Jul1/2009	% change on one year ago
BC	4,455.2	1.6
Canada	33,739.9	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Dec 2009	2,690	-2.3
Merchandise Exports - Dec 2009	2,130	4.6
Retail Sales - Dec 2009	4,630	0.1
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Jan 2010)	one year ago	% change
BC	0.7	-0.1
Vancouver	1.0	0.1
Victoria	0.5	0.0
Canada	1.9	0.4
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jan 2010	prev. month
Labour Force - BC	2,481	0.3
Employed - BC	2,281	0.5
Unemployed - BC	201	-1.7
		Dec 2009
Unemployment Rate - BC *(percent)*	8.1	8.3
Unemployment Rate - Canada *(percent)*	8.3	8.4
INTEREST RATES (percent)	Mar 10/2010	Mar 11/2009
Prime Business Rate	2.25	2.50
Conventional Mortgages - 1 year	3.60	4.50
- 5 year	5.39	5.79
US-CANADA EXCHANGE RATE	Mar 10/2010	Mar 11/2009
(avg. noon spot rate) Cdn $ per US $	1.0243	1.2807
(closing rate) US $ per Cdn $	0.9748	0.7775
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jan 2010	one year ago
BC	812.32	1.6
Canada	814.06	1.2

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

British Columbia Wage & Salary Survey

In 2009, the first-ever Wage and Salary Survey was completed by the BC Government. This survey provides up-to-date wage and salary information on part-time and full-time wages, hours of work, hiring difficulties, and vacancies for 121 of the province's most common occupations. In B.C.'s three largest economic regions (Vancouver Island/Coast, Mainland/Southwest, and Thompson/Okanagan), the top 100 occupations were targeted, and in the five remaining regions (Kootenay, Cariboo, North Coast, Nechako, and Northeast), the top 35 occupations were targeted.

www.bcstats.gov.bc.ca/data/lss/labour/wage/

Historical Census Profiles

We have added 1986 Census Profiles to our site. This series of profiles is for development regions, regional districts, municipalities, and unincorporated areas. Recently we added detailed profiles for development regions, regional districts, municipalities, unincorporated areas and Indian reserves from the 1996 and 1991 censuses. Registration is required for access.

www.bcstats.gov.bc.ca/census.asp

Aboriginal Peoples Profiles - BC

Province-level profiles have been added to this series. These profiles provide comparisons of the socio-economic conditions of the Aboriginal populations as well as profiles of Aboriginal groups such as First Nations, Métis, and Status Indians using data from the 2006 Census.

www.bcstats.gov.bc.ca/data/cen01/abor/ap_main.asp

Released this week by BC Stats

- Exports, January 2010
- Labour Force Statistics, February 2010
- Earnings & Employment Trends, February 2010
- Business Indicators, February 2010

Next week

- Consumer Price Index, February 2010

BC Stats, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: 250-387-0327 Fax: 250-387-0380 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca